

OMICO CORPORATION

Audit Committee Charter **(As Amended on March 25, 2019)**

A. Overview and Objective

Pursuant to the Code of Corporate Governance issued by the Securities and Exchange Commission (the "SEC") as per SEC Memorandum Circular No. 2, Series of 2002 and the Manual on Corporate Governance (the "CG Manual") of Omico Corporation (the "Company"), the Board of Directors of the Company created the Audit Committee (the "Committee") to assist the Board in the performance of its oversight responsibility for the financial reporting process, system of internal control, audit process and monitoring of compliance with applicable laws, rules and regulations.

This Audit Committee Charter (the "Charter") sets out the mandate, significance, membership, operations and functions of the Committee of the Company and provides the guidelines which shall govern the performance of its duties and responsibilities.

The amendments to the Audit Committee Charter are pursuant to provisions of the SEC New Code of Corporate Governance as per SEC MC No. 19, Series of 2016 entitled "Code of Corporate Governance for Publicly-Listed Companies" and in accordance with the Company's New Manual on Corporate Governance dated May 2017.

B. Structure and Operation

Authority

The Committee shall have the authority to conduct or authorize the investigation into any matter within its scope of responsibility and all employees and Directors are enjoined to cooperate as requested by the Committee, without interference or censorship by management; evaluate compliance with the code of conduct for management; and review management's competence regarding financial reporting responsibilities including aggressiveness and reasonableness of decisions.

The Committee shall have full access to management, personnel and records for the purpose of performance of its duties and responsibilities. The Committee may also obtain external legal

counsel or independent professional advice if it considers it necessary in the performance of its functions. The Committee shall be provided with sufficient resources by the Company to discharge its duties.

Membership and Qualifications

The Committee shall consist of at least three (3) directors, who shall preferably have accounting and finance backgrounds, one of whom shall be an independent director and another with audit experience. Each member shall have adequate understanding at least or competence at most, of the Company's financial management systems and environment, as well as the Company's business and the industry in which it operates. The Chairman of the committee shall be an Independent Director. The Chairman of the Audit Committee shall not be the Chairman of the Board or of any other committees.

Each member of the Committee shall have the qualifications and none of the disqualifications of a Director, as set out in the CG Manual.

A majority vote of the members of the Board, constituting a quorum, shall elect the Chairman and the members of the Committee either during the Organizational Board Meeting of the Company or, if there is a vacancy, during any meeting of the Board.

Meetings

The Committee shall meet in person or via telephone/video-conference at least quarterly and at such times and places as it considers appropriate. The Chairman of the Committee, any Committee member, or the Corporate Secretary of the Company may call a meeting of the Committee.

Attendance of at least two (2) Committee members shall constitute a quorum for the committee to transact business. The Committee shall act only on the affirmative vote of at least a majority of the members present at a meeting at which there is a quorum.

The Chairman of the Committee shall preside in all meetings of the Committee. In the absence of the Committee Chairman, the Committee members present shall elect one of their members as Chairman of the meeting.

The Company's Corporate Secretary shall be the secretary of the Committee, in the absence of the Corporate Secretary, the Assistant Corporate Secretary.

A notice of each meeting confirming the date, time and venue shall be given to each member of the Committee at least two (2) working days prior to the date of the meeting. The notice will include the agenda to be discussed during the meeting.

Full minutes of the proceedings of, and resolutions made during the committee meetings shall be kept by the Corporate Secretary. Notices, minutes, agenda and supporting papers will be made available to any Director upon request to the Corporate Secretary.

C. Duties and Responsibilities

Financial Statements

- Review the quarterly, half-year and annual financial statements before their submission to the Board, with particular focus on the following matters:
 - Any change/s in accounting policies and practices
 - Major judgmental areas
 - Significant adjustments resulting from the audit
 - Going concern assumptions
 - Compliance with accounting standards
 - Compliance with tax, legal and regulatory requirements.
- Review the interim and annual financial statements as to completeness, clarity, consistency, accuracy of disclosures of material information including subsequent events, complex transactions including related party transactions, appropriateness of accounting policies adopted by management, reasonableness of estimates, assumptions, and judgments used in the preparation of financial statements and against their compliance with pertinent Philippine and internationally accepted accounting standards, as well as tax, legal and other financial reporting regulations before submission to the Board. Fair and balance review of financial reports.
- Review with management and the external auditors the results of the audit, including any difficulties encountered, any material errors and/or fraud identified, unusual or complex transactions, and other issues and resolve any disagreements between management and the external auditors regarding financial reporting.
- Review new professional and regulatory pronouncements and standards applicable to the Company and their impact on the financial statements.
- Review with management and the external auditors all matters required to be communicated to the Committee under generally accepted auditing *Standards*.
- Review any correspondence between the Company and regulators regarding financial statement filings and disclosures.
- Review and approve the management representation letter before submission to external auditor.
- Discuss/communicate with the Company's legal counsel covering any litigation, claims, contingencies or other significant legal issues that impact financial statements.

Internal Control

- Review, monitor and evaluate the adequacy and effectiveness of the corporation's internal control system, integrity of financial reporting and security of physical and information assets. Well-designed internal control procedures and processes that will provide a system of checks and balances should be in place in order to (a) safeguard the company's resources and ensure their effective utilization, (b) prevent occurrence of fraud and other irregularities, (c) protect the accuracy and reliability of the company's financial data, and (d) ensure compliance with applicable laws and regulations.

- Review the adequacy and effectiveness of the Company's internal control system including financial reporting control and information technology systems security.
- Obtain management's assurance on the state of internal controls.
- Review reports of internal and external auditors on internal controls, their findings and recommendations and management's responses to ensure that timely corrective actions are undertaken. Review framework on fraud prevention and detection.
- Provide oversight over management's activities in managing credit, market, liquidity, operational, legal and other risks of the Company, including regular receipt of information from management on risk exposures and risk management activities; understand and assess identified risks; and evaluate sufficiency and effectiveness of risk management processes and policies.
- Perform oversight functions over the Company's internal and external auditors and ensure that the internal and external auditors act independently from each other, and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions.
- Consider the development of a transparent financial management system that will ensure the integrity of internal control activities throughout the Company through a step-by-step procedures and policies handbook that will be used by the entire organization.
- Provide oversight in the preparation and implementation of a Business Continuity Plan.

Internal Audit

- Consider the appointment of an independent internal auditor and the terms and conditions of its engagement and removal. In-house or outsource internal audit function.
- Review with management and the Company's internal auditor the qualifications/ independence of an internal auditor and the plans, activities, and organizational structure of the internal audit function. The internal auditor shall functionally report directly to the Committee. Oversight on the communication with management and internal auditor.
- Review and confirm the annual internal audit plan, to ensure its conformity with the objectives of the Company, which shall include the audit scope, resources and budget necessary to implement it.
- Review the effectiveness of the internal audit function, including compliance with the International Standards for the Professional Practice of Internal Auditing.
- Ensure that, in the performance of the work of the internal auditor, he shall be free from interference by outside parties.

External Audit

- Recommend to the Board the appointment, reappointment, removal and fees of the External Auditor, duly accredited by the Commission, who undertakes an independent audit of the corporation, and provides an objective assurance on the manner by which the financial statements should be prepared and presented to the stockholders.
- Review and evaluate, at least annually, the performance of the external auditors (including lead partner), their compliance with auditing standards, and make recommendations to the Board each year with respect to the appointment and observance of required rotation process of the External Auditor.

- Prior to the commencement of the audit, discuss with the External Auditor the proposed audit scope, approach, fees and expenses of the audit and ensure proper coordination if more than one audit firm is involved in the audit activity, to secure proper coverage and minimize duplication of efforts.
- Review and confirm the professional qualifications, competence and independence of the External Auditor by among others, obtaining statements from the auditors on relationships between such the auditors and the company, including non-audit services, and discuss the relationship with the auditors.
- Evaluate and determine the non-audit work if any, of the External Auditor, and periodically reviews the non-audit fees paid to the External Auditor in relation to the total fees paid to him and to the corporation's overall consultancy expenses. The Committee should disallow any non-audit work that will conflict with his duties as an External Auditor or may pose a threat to his independence. The non-audit work if allowed, should be disclosed in the corporation's Annual Report and Annual Corporate Governance Report.
- Provide oversight over the completeness and timeliness of communication with external auditors as to critical policies, alternative treatments, observations on internal controls, audit adjustments, independence, limitations on the audit work set by the management, and other material issues that affect the audit and financial reporting.

Compliance with Legal and Regulatory Requirements

- Coordinate, monitor and facilitate compliance with laws, rules and regulations.
- Ascertain whether the Company has an effective process for determining risks and exposure from litigation and claims from non-compliance with laws and regulations.
- Review the results of management's investigation and follow up on any instance of non-compliance (including disciplinary action).
- Review findings resulting from examination by regulatory agencies as well as internal and external auditors, if any.

Other Duties and Responsibilities

- Perform the functions of a Board Risk Oversight Committee that should be responsible for the oversight of the Company's Enterprise Risk Management system to ensure its functionality and effectiveness.
- Perform the functions of a Related Party Transactions Committee which is tasked with reviewing all material related party transactions of the Company.

D. Reporting Process

The Chairman of the Committee, or in his absence, the member elected by the members present in a meeting, shall report to the Board about Committee activities, issues, and related recommendations made by the Committee.

The Committee shall prepare an annual report of its activities to the Board for inclusion in the Company's annual report.

E. Performance Evaluation

The Committee shall assess its effectiveness periodically, with a view to ensuring that its performance accords with best practice. Such assessment must compare its performance with the requirements of this Charter, which shall be the basis of its formulation of objectives and plans to improve its performance, including any recommendations for amendments to this charter for approval by the Board. These shall include identification of relevant training needs intended to keep the members up-to-date with corporate governance best practices, accounting, financial management and auditing standards.

The Committee shall assess its performance through a self-assessment worksheet (the "Assessment") that substantially adopts the SEC Guidelines for the Assessment of the Performance of Audit Committees of Companies Listed on the Exchange.

The Assessment shall be accomplished by the Committee on an annual basis or in such shorter intervals as may be set by the Board. The results of Assessment shall be validated by the Company's Compliance Officer.

A feedback mechanism shall be in place to receive comments from management, internal auditor, general counsel and external auditor. This should facilitate dialogue within the organization about possible ways to improve its performance.


The entire assessment process shall be documented and shall form part of the records of the Company that may be examined by the SEC from time to time.

F. Amendment

The Committee shall conduct an annual review of this Charter and propose any enhancements as may be deemed necessary for Board approval. This Charter shall not be amended, altered or varied unless such amendment, alteration or variation shall have been approved by a resolution of the Board.

OMICO CORPORATION
Audit Committee Charter (As Amended on March 25, 2019)

Signed by:



Tommy Kin Hing Tia
Chairman of the Board



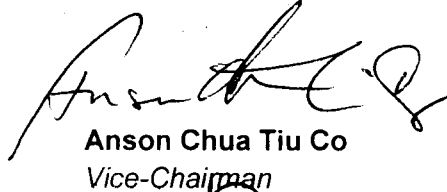
Anna Mei Nga Tia
President/CEO



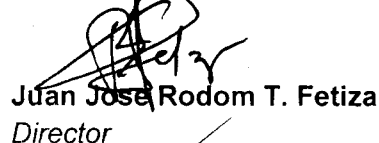
Angel Severino Raul B. Ilagan, Jr.
Director



John Edwin N. Co
Independent Director



Anson Chua Tiu Co
Vice-Chairman



Juan Jose Rodom T. Fetiza
Director



Albert Y. Yung
Independent Director